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C O N F I D E N T I A L SECTION 01 OF 02 KUWAIT 000836

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STATE FOR NEA/ARP, EB/ESC/IEC

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TAGS: [PGOV](#) [EPET](#) [KDEM](#) [KU](#) [NATIONAL ASSEMBLY](#)
SUBJECT: TEMPERATURES RISE AS OPPOSITION MPS TARGET OIL
MINISTER OVER GRAFT

REF: KUWAIT 778

Classified By: Ambassador Richard LeBaron for reasons 1.4 (b) and (d)

11. (C/NF) Summary: Opposition MPs have demanded the resignation of Oil Minister Shaykh Ali Al-Jarrah Al-Sabah and are threatening to question him in Parliament for defending his cousin and former Oil/Finance Minister Shaykh Ali Al-Khalifa Al-Sabah, one of five former Kuwait Oil Tanker Company (KOTC) senior officials accused of embezzling more than \$100 million during the Iraqi occupation. This is the third serious "grilling" threat mounted by MPs since the Cabinet was formed in March and threatens a further deterioration in Government-Parliament relations. There is mounting frustration with Parliament among average Kuwaitis, though some accuse certain members of the ruling family of trying to sabotage Parliament and force its dissolution. One influential Al-Sabah told PolOff that the current political deadlock in the country was the result of Kuwait's "juvenile and adolescent democracy," an indication of the ruling family's frustration with Parliament. End summary.

12. (SBU) Relations between Parliament and the Government took another downturn May 26 as opposition MPs announced their intention to "grill" (i.e. question) the Oil Minister. The 8-member National Action Bloc (liberal) and the 7-member Popular Action Bloc (nationalist) called on Shaykh Ali Al-Jarrah Al-Sabah to resign for referring to his cousin and former Oil/Finance Minister Shaykh Ali Al-Khalifa Al-Sabah in a May 12 interview as his "ustadh" (teacher or master) and saying that he consults him occasionally on oil issues. Shaykh Ali Al-Khalifa is one of five former senior officials of the state-owned Kuwait Oil Tanker Company (KOTC) accused of embezzling more than \$100 million during the Iraqi occupation in 1990-91; three of the officials were tried by the British High Court in November 1998 and found guilty. Some also suspect Shaykh Ali Al-Jarrah of wrongdoing since he served on the board of one of the banks where the embezzled funds were deposited. If he does not resign, the MPs plan to submit a grilling request on June 10 and grill the Minister on June 25. The other opposition bloc, the 17-member Islamic Bloc, is split on the grilling: several of its members have expressed support for it, but the Islamic Constitutional Movement's (ICM) six MPs, while criticizing Shaykh Ali Al-Jarrah's comments, have opposed the grilling and called for greater cooperation with the Government.

13. (SBU) This is just one of several high-profile corruption cases that have recently captured public attention and resulted in stormy sessions in Parliament. During the May 15 session, MPs traded barbs over corruption and accused each other of using their official positions for personal gain. One independent tribal MP shocked the country when he told one of his colleagues to "eat shit" and invited him to step

outside. The session got so heated the Speaker was forced to adjourn Parliament until its next regularly scheduled meeting May 28. The current controversy over the Oil Minister is the third major grilling threat mounted by opposition MPs since the formation of the Cabinet in March. Initially, many Kuwaitis were optimistic the composition of the new Cabinet would foster greater cooperation with Parliament, but this has since turned to pessimism and frustration as tensions continue to rise.

¶4. (C/NF) While many Kuwaitis are increasingly prone to blame Parliament for the lack of progress on important legislation, some believe certain members of the ruling family, namely Shaykh Ahmed Al-Fahd, are intentionally stoking tensions between the Government and Parliament to undermine Parliament's reputation and force its dissolution. An Islamist staffer in Parliament told PolOff May 28 he gave the Assembly a "50-50 chance" of being dissolved before the end of the year. In any case, he argued, it definitely would not last all four years. A member of the National Democratic Alliance, one of the liberal organizations opposing Shaykh Ali Al-Jarrah, told PolOff May 28 the National Action Bloc was determined to go ahead with the grilling if the Minister did not resign, despite the formation of a parliamentary committee to investigate the KOTC violations during the May 28 session of Parliament. Perhaps most telling, an influential, younger member of the ruling family close to Shaykh Ahmed Al-Fahd expressed frustration and exasperation with Parliament during a May 28 conversation with PolOff, arguing that the current political deadlock was the result of Kuwait's "juvenile and adolescent democracy."

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LeBaron